

SENATE BILL No. 208

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-25.

Synopsis: Extend tax sale redemption period for dwellings. Extends from one year to two years the tax sale redemption period for a dwelling and the land on which the dwelling is located.

Effective: January 1, 2004 (retroactive).

Young R Michael

January 8, 2004, read first time and referred to Committee on Finance.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

SENATE BILL No. 208

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-25-2, AS AMENDED BY P.L.170-2003,
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2004 (RETROACTIVE)]: Sec. 2. (a) The total amount
4 of money required for the redemption of real property equals:
5 (1) the sum of the amounts prescribed in subsections (b) through
6 (e); or
7 (2) the amount prescribed in subsection (f);
8 reduced by any amounts held in the name of the taxpayer or the
9 purchaser in the tax sale surplus fund.
10 (b) Except as provided in subsection (f), the total amount required
11 for redemption includes:
12 (1) one hundred ten percent (110%) of the minimum bid for
13 which the tract or real property was offered at the time of sale, as
14 required by IC 6-1.1-24-5, if the tract or item of real property is
15 redeemed not more than six (6) months after the date of sale; or
16 (2) one hundred fifteen percent (115%) of the minimum bid for
17 which the tract or real property was offered at the time of sale, as



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required by IC 6-1.1-24-5, if:

(A) the tract or item of real property **other than a dwelling (as defined in IC 6-1.1-20.9-1) and the land on which the dwelling is located** is redeemed more than six (6) months but not more than one (1) year after the date of sale; **or**

(B) **the tract or item of real property consisting of a dwelling (as defined in IC 6-1.1-20.9-1) and the land on which the dwelling is located is redeemed more than six (6) months but not more than two (2) years after the date of sale.**

(c) Except as provided in subsection (f), in addition to the amount required under subsection (b), the total amount required for redemption includes the amount by which the purchase price exceeds the minimum bid on the real property plus ten percent (10%) per annum on the amount by which the purchase price exceeds the minimum bid on the property.

(d) Except as provided in subsection (f), in addition to the amount required under subsections (b) and (c), the total amount required for redemption includes all taxes and special assessments upon the property paid by the purchaser after the sale plus ten percent (10%) interest per annum on those taxes and special assessments.

(e) Except as provided in subsection (f), in addition to the amounts required under subsections (b), (c), and (d), the total amount required for redemption includes the following costs, if certified before redemption by the payor to the county auditor on a form prescribed by the state board of accounts, that were incurred and paid by the purchaser, the purchaser's assignee, or the county, before redemption:

(1) The attorney's fees and costs of giving notice under section 4.5 of this chapter.

(2) The costs of a title search or of examining and updating the abstract of title for the tract or item of real property.

(f) With respect to a tract or item of real property redeemed under section 4(c) of this chapter, instead of the amounts stated in subsections (b) through (e), the total amount required for redemption is the amount determined under IC 6-1.1-24-6.1(b)(4).

SECTION 2. IC 6-1.1-25-4, AS AMENDED BY P.L.170-2003, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 4. (a) The period for redemption of real property sold under IC 6-1.1-24 is:

(1) one (1) year after the date of sale **with respect to real property other than a dwelling (as defined in IC 6-1.1-20.9-1) and the land on which the dwelling is located, and two (2)**

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years after the date of sale with respect to a dwelling (as defined in IC 6-1.1-20.9-1) and the land on which the dwelling is located;

(2) one hundred twenty (120) days after the date of sale to a purchasing agency qualified under IC 36-7-17;

(3) one hundred twenty (120) days after the date of sale of real property on the list prepared under IC 6-1.1-24-1.5; or

(4) one hundred twenty (120) days after the date of sale under IC 6-1.1-24-5.5(b).

(b) The period for redemption of real property:

(1) on which the county acquires a lien under IC 6-1.1-24-6; and

(2) for which the certificate of sale is not sold under IC 6-1.1-24-6.1;

is one hundred twenty (120) days after the date the county acquires the lien under IC 6-1.1-24-6.

(c) The period for redemption of real property:

(1) on which the county acquires a lien under IC 6-1.1-24-6; and

(2) for which the certificate of sale is sold under IC 6-1.1-24;

is one hundred twenty (120) days after the date of sale of the certificate of sale under IC 6-1.1-24.

(d) When a deed for real property is executed under this chapter, the county auditor shall cancel the certificate of sale and file the canceled certificate in the office of the county auditor. If real property that appears on the list prepared under IC 6-1.1-24-1.5 is offered for sale and an amount that is at least equal to the minimum sale price required under IC 6-1.1-24-5(e) is not received, the county auditor shall issue a deed to the real property in the manner provided in IC 6-1.1-24-6.5.

(e) When a deed is issued to a county under this chapter, the taxes and special assessments for which the real property was offered for sale, and all subsequent taxes, special assessments, interest, penalties, and cost of sale shall be removed from the tax duplicate in the same manner that taxes are removed by certificate of error.

(f) A tax deed executed under this chapter vests in the grantee an estate in fee simple absolute, free and clear of all liens and encumbrances created or suffered before or after the tax sale except those liens granted priority under federal law and the lien of the state or a political subdivision for taxes and special assessments which accrue subsequent to the sale and which are not removed under subsection (e). However, the estate is subject to:

(1) all easements, covenants, declarations, and other deed restrictions shown by public records;

(2) laws, ordinances, and regulations concerning governmental

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police powers, including zoning, building, land use, improvements on the land, land division, and environmental protection; and

(3) liens and encumbrances created or suffered by the grantee.

(g) A tax deed executed under this chapter is prima facie evidence of:

(1) the regularity of the sale of the real property described in the deed;

(2) the regularity of all proper proceedings; and

(3) valid title in fee simple in the grantee of the deed.

(h) A county auditor is not required to execute a deed to the county under this chapter if the county executive determines that the property involved contains hazardous waste or another environmental hazard for which the cost of abatement or alleviation will exceed the fair market value of the property. The county may enter the property to conduct environmental investigations.

(i) If the county executive makes the determination under subsection (h) as to any interest in an oil or gas lease or separate mineral rights, the county treasurer shall certify all delinquent taxes, interest, penalties, and costs assessed under IC 6-1.1-24 to the clerk, following the procedures in IC 6-1.1-23-9. After the date of the county treasurer's certification, the certified amount is subject to collection as delinquent personal property taxes under IC 6-1.1-23. Notwithstanding IC 6-1.1-4-12.4 and IC 6-1.1-4-12.6, the assessed value of such an interest shall be zero (0) until production commences.

(j) When a deed is issued to a purchaser of a certificate of sale sold under IC 6-1.1-24-6.1, the county auditor shall, in the same manner that taxes are removed by certificate of error, remove from the tax duplicate the taxes, special assessments, interest, penalties, and costs remaining due as the difference between the amount of the last minimum bid under IC 6-1.1-24-5(e) and the amount paid for the certificate of sale.

SECTION 3. IC 6-1.1-25-4.5, AS AMENDED BY P.L.170-2003, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 4.5. (a) Except as provided in subsection (d), a purchaser or the purchaser's assignee is entitled to a tax deed to the property that was sold only if:

(1) the redemption period specified in section 4(a)(1) of this chapter has expired;

(2) the property has not been redeemed within the period of redemption specified in section 4(a) of this chapter; and

(3) not later than nine (9) months **with respect to real property other than a dwelling (as defined in IC 6-1.1-20.9-1) and the**

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land on which the dwelling is located, or twenty-one (21) months with respect to a dwelling (as defined in IC 6-1.1-20.9-1) and the land on which the dwelling is located, after the date of the sale:

(A) the purchaser or the purchaser's assignee; or

(B) in a county where the county auditor and county treasurer have an agreement under section 4.7 of this chapter, the county auditor;

gives notice of the sale to the owner of record at the time of the sale and any person with a substantial property interest of public record in the tract or real property.

(b) A county is entitled to a tax deed to property on which the county acquires a lien under IC 6-1.1-24-6 and for which the certificate of sale is not sold under IC 6-1.1-24-6.1 only if:

(1) the redemption period specified in section 4(b) of this chapter has expired;

(2) the property has not been redeemed within the period of redemption specified in section 4(b) of this chapter; and

(3) not later than ninety (90) days after the date the county acquires the lien under IC 6-1.1-24-6, the county auditor gives notice of the sale to:

(A) the owner of record at the time the lien was acquired; and

(B) any person with a substantial property interest of public record in the tract or real property.

(c) A purchaser of a certificate of sale under IC 6-1.1-24-6.1 is entitled to a tax deed to the property for which the certificate was sold only if:

(1) the redemption period specified in section 4(c) of this chapter has expired;

(2) the property has not been redeemed within the period of redemption specified in section 4(c) of this chapter; and

(3) not later than ninety (90) days after the date of sale of the certificate of sale under IC 6-1.1-24, the purchaser gives notice of the sale to:

(A) the owner of record at the time of the sale; and

(B) any person with a substantial property interest of public record in the tract or real property.

(d) A purchaser or the purchaser's assignee is entitled to a tax deed to the property that was sold under IC 6-1.1-24-5.5(b) only if:

(1) the redemption period specified in section 4(a)(4) of this chapter has expired;

(2) the property has not been redeemed within the period of

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redemption specified in section 4(a)(4) of this chapter; and
 (3) not later than ninety (90) days after the date of the sale, the
 purchaser or the purchaser's assignee gives notice of the sale to:

(A) the owner of record at the time of the sale; and

(B) any person with a substantial property interest of public
 record in the tract or real property.

(e) The person required to give the notice under subsection (a), (b),
 or (c) shall give the notice by sending a copy of the notice by certified
 mail to:

(1) the owner of record at the time of the:

(A) sale of the property;

(B) acquisition of the lien on the property under IC 6-1.1-24-6;
 or

(C) sale of the certificate of sale on the property under
 IC 6-1.1-24;

at the last address of the owner for the property, as indicated in
 the records of the county auditor; and

(2) any person with a substantial property interest of public record
 at the address for the person included in the public record that
 indicates the interest.

However, if the address of the person with a substantial property
 interest of public record is not indicated in the public record that
 created the interest and cannot be located by ordinary means by the
 person required to give the notice under subsection (a), (b), or (c), the
 person may give notice by publication in accordance with IC 5-3-1-4
 once each week for three (3) consecutive weeks.

(f) The notice that this section requires shall contain at least the
 following:

(1) A statement that a petition for a tax deed will be filed on or
 after a specified date.

(2) The date on or after which the petitioner intends to petition for
 a tax deed to be issued.

(3) A description of the tract or real property shown on the
 certificate of sale.

(4) The date the tract or real property was sold at a tax sale.

(5) The name of the:

(A) purchaser or purchaser's assignee;

(B) county that acquired the lien on the property under
 IC 6-1.1-24-6; or

(C) person that purchased the certificate of sale on the
 property under IC 6-1.1-24.

(6) A statement that any person may redeem the tract or real

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property.

(7) The components of the amount required to redeem the tract or real property.

(8) A statement that an entity identified in subdivision (5) is entitled to reimbursement for additional taxes or special assessments on the tract or real property that were paid by the entity subsequent to the tax sale, lien acquisition, or purchase of the certificate of sale, and before redemption, plus interest.

(9) A statement that the tract or real property has not been redeemed.

(10) A statement that an entity identified in subdivision (5) is entitled to receive a deed for the tract or real property if it is not redeemed before the expiration of the period of redemption specified in section 4 of this chapter.

(11) A statement that an entity identified in subdivision (5) is entitled to reimbursement for costs described in section 2(e) of this chapter.

(12) The date of expiration of the period of redemption specified in section 4 of this chapter.

(13) A statement that if the property is not redeemed, the owner of record at the time the tax deed is issued may have a right to the tax sale surplus, if any.

(14) The street address, if any, or a common description of the tract or real property.

(15) The key number or parcel number of the tract or real property.

(g) The notice under this section must include not more than one (1) tract or item of real property listed and sold in one (1) description. However, when more than one (1) tract or item of real property is owned by one (1) person, all of the tracts or real property that are owned by that person may be included in one (1) notice.

(h) A single notice under this section may be used to notify joint owners of record at the last address of the joint owners for the property sold, as indicated in the records of the county auditor.

(i) The notice required by this section is considered sufficient if the notice is mailed to the address required under subsection (e).

(j) The notice under this section and the notice under section 4.6 of this chapter are not required for persons in possession not shown in the public records.

(k) If the purchaser fails to:

(1) comply with subsection (c)(3); or

(2) petition for the issuance of a tax deed within the time

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1 permitted under section 4.6(a) of this chapter;
2 the certificate of sale reverts to the county and may be retained by the
3 county or sold under IC 6-1.1-24-6.1.

4 SECTION 4. [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]
5 **IC 6-1.1-25-2, IC 6-1.1-25-4, and IC 6-1.1-25-4.5, all as amended by**
6 **this act, apply only to tax sales after December 31, 2003.**

7 SECTION 5. **An emergency is declared for this act.**

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